

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose

BILL NUMBER: SB 1474
AUTHOR: D. Steinberg
RELATED BILLS: SB 789

BILL SUMMARY: Labor Representatives: Elections

This bill would allow an alternative method for agricultural employees to select labor representatives by submitting a petition to the Agricultural Labor Relations Board (ALRB) accompanied by representation cards signed by a majority of the bargaining unit. This bill would also require ALRB to certify the alternative method petition, extend civil penalties to employers, and provide for collection of damages for employees, as specified.

FISCAL SUMMARY

While the ALRB was not able to provide a fiscal estimate for this bill at the time of the analysis, the ALRB provided costs in a nearly identical bill last year.

At that time the ALRB noted that these provisions could result in some level of savings if the majority sign-up petition election procedure is used in lieu of the current secret ballot election procedure because it would eliminate the need for the Board to go in and conduct a secret ballot election. There may be additional workload to investigate and litigate complaints related to unfair labor practice charges related to the petition election method. Based on historical data, each of these cases requires approximately 150 hours of staff work to resolve. Therefore, an increase of 10 cases would require at least one additional staff counsel position at an approximate cost of \$150,000 General Fund, although the volume of potential claims cannot be estimated at this time. It is not clear that this increased cost could be offset by the savings associated with a decrease in secret ballot elections. Any request for resources as a result of this bill would be subject to review and approval through the annual budget process.

COMMENTS

The Department of Finance recommends veto of this bill for the following reasons:

- This bill is nearly identical to SB 789 (Steinberg), which the Governor vetoed citing the concern that “this card-check process fundamentally alters an employee’s right to a secret ballot election that currently affords them the opportunity to cast a ballot privately without fear of coercion or manipulation by any interested parties.”
- It would shift the focus and resources of the ALRB from conducting secret ballot elections to evaluating the validity of representation cards.
- It would increase the investigation and litigation of related unfair labor practice charges resulting in General Fund costs, which may not be offset by the reduction in secret ballot elections.

Existing law prohibits employers from engaging in unfair labor practices that would interfere with the election of labor representatives, includes criminal and civil penalties for any person or employer that engages in them, and provides for a secret ballot election for labor representatives.

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Analyst/Principal (0240)	Date	Assistant Program Budget Manager	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

D. Steinberg

Original

SB 1474

COMMENTS (continued)

This bill would:

- Provide an alternative method for agricultural employees to select labor representatives by submitting a petition to ALRB accompanied by representation cards signed by a majority.
- Require the ARLB to conduct an immediate investigation and make a nonappealable determination within five days whether to certify the labor organization as the exclusive bargaining representative for the particular agricultural employees.
- Increase the existing penalties from \$5,000 to \$20,000 for employers who engage in unfair labor practices with regard to a majority signup election.
- Expand the categories of unfair labor practices for agricultural employees and provides for liquidated damages up to double the amount of back-pay that is due.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2009-2010	FC	2010-2011	FC	2011-2012	Code
7300/Ag Labor Rel	SO	No	-----	See Fiscal Summary				-----	0001